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FM AMCONSUL CHENNAI
TO RUEHC/SECSTATE WASHDC 9979
INFO RUCPDOG/USDOC WASHDC
RUEHNE/AMEMBASSY NEW DELHI 1980
RUEHBI/AMCONSUL MUMBAI 4854
RUEHCI/AMCONSUL CALCUTTA 0596

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SIPDIS

SIPDIS

USDOC FOR MAC/ANESA/OSA/LDROKER/ASTERN
USDOC FOR ITA/TD/ITI/KJENCI/EHOLLOWAY
USTR FOR SOUTH ASIA
SCA/INS FOR MNEWBILL

E.O. 12958: N/A

TAGS: [ECON](#) [ETRD](#) [PGOV](#) [KIPR](#) [IN](#)

SUBJECT: KARNATAKA PROPOSES TO AMEND ANTI-PIRACY LAW

REF: 05 CHENNAI 0975

¶1. Summary: Following in the footsteps of their Tamil Nadu counterparts, the Karnataka police propose to amend an existing law intended to fight street crime to include video piracy. The ineffectiveness of the existing anti-piracy law in Karnataka prompted the local Kannada language film industry to demand an amendment. Karnataka Chief Minister Kumarasamy, himself a former film producer, is expected to drive the process forward. Local representatives of the Motion Picture Association (MPA) of America believe an amendment would significantly impact piracy crime in Karnataka. Elsewhere, in a sign of rising awareness of the problem, Pondicherry police shut down the operations of a local video store owner who pirated movies on the side. However, distribution of pirated movies over the Internet poses a challenge to the state police forces as they lack technical expertise to investigate and prosecute such cases. End Summary

Anti-piracy Example from Tamil Nadu Bears Fruit

¶2. Spurred by the success of the Tamil Nadu police in combating video piracy, the Karnataka police are examining the possibility of amending the Karnataka Goondas Act to bring piracy under its purview (see Ref A). M.K. Srivastava, Additional Director General in the Karnataka Police who oversees the enforcement of the Karnataka's anti-piracy law, told Post that currently repeat offenders usually go back into business in a matter of days as magistrates tend to grant them bail. The Karnataka police seize the offenders' compact disk (CD) burners to make the operation uneconomic; however the impact on pirates is minimal.

Karnataka to Follow Tamil Nadu's Foot Steps

¶3. Video piracy in Karnataka has begun to have an impact on the local Kannada language movie industry. The industry had a good run in 2005 but Kannada movie producers are concerned that unless action is taken they could be the next targets. Kumar Bangarappa, a Kannada movie actor and former Karnataka irrigation minister, told Post that the market for Kannada movies is small and the loss of revenue from even one center has an impact. With Karnataka Chief Minister Kumarasamy also a film producer, Bangarappa is sure that the Karnataka Goondas Act will be amended to cover video piracy. This optimism is shared by Karnataka's Director General of Police, B.S. Sial who told Post that the Chief Minister is interested in amending the law.

Hollywood to Benefit from Karnataka Crack Down

¶4. Video piracy in neighboring Tamil Nadu dropped significantly after the Tamil Nadu Goondas Act was amended to include piracy in the list of offenses. Raja Pannir Selvam, a legal counsel employed MPA to represent its interests in south India, told Post that the act had curbed piracy considerably. Most pirated copies of Hollywood movies seized in Tamil Nadu come from Malaysia or from neighboring states of Karnataka and Kerala, according to Narender Pal Singh, Additional Director General of Tamil Nadu. He added that those prosecuted spend a year in prison and then have to spend another year appearing before various courts, which usually puts them out of business. Bangalore, with its presence of a large information technology industry, has emerged as major center for pirating of Hollywood movies, MPA's Pannir Selvam told Post. The MPA has helped the Karnataka police bust a massive pirated CD production facility in that city, but the offenders are back in business as they were arrested for the first time and were able to secure bail. Amending the Goondas Act in Karnataka would have stopped them, he said.

Pondicherry Police Crack Down on Pirated CDs

¶5. Elsewhere in south India, Pondicherry has been another large source of pirated movies, according to MPA's Pannir Selvam. Pressure from the neighboring state of Tamil Nadu and the MPA forced the Pondicherry police to shut down a prominent video parlor in the city on August 16, 2006. The politically well connected owner of the establishment, a known pirate, eluded the Pondicherry police, however. MPA representatives told Post he had been tipped off by informants within the police. They draw some satisfaction, however,

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from the fact that the local police force had finally acted.

Web Piracy Challenges State Police Forces

¶6. Comment: Increased pressure from state police forces has forced pirates in south India to switch from selling CDs to sending movies as compressed files over the Internet. Both Singh of the Tamil Nadu police and Srivastava of the Karnataka police told Post that they have received increased reports of pirates switching to the Internet. Their respective forces are incapable of intercepting, investigating and prosecuting such transactions, however. At present, they claim, only the central government has the trained manpower and equipment to fight piracy on the web. Enhanced capacity for state police forces to fight web-based piracy is needed to improve enforcement of intellectual property rights across India.
End Comment.

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